



The Fundamentals of Asset Management A Hands-on Approach

USEPA Asset Management Workshop



November 11 - 12, 2008

Hilton Metro Center
925 South University, Little Rock, AR

Sponsored by:
United States Environmental Protection Agency

Southwest Section, American Water Works Association

Co-sponsored by:
AR Department of Health
AR Department of Environmental Quality
AR Water Environment Association
LA Department of Health & Hospitals
LA Water Environment Association
OK Department of Environmental Quality
OK Water Environment Association

Registration Deadline: October 11, 2008
Register Early – Space is Limited

The Challenge: Over the past half century, America has spent trillions of dollars building some of the finest infrastructure that history has ever seen. This investment has played a substantial role in the sustained prosperity and quality of life of our country. But in many communities, this infrastructure is severely stressed from overuse, under funding of maintenance and renewal, and aging.

A comprehensive approach to managing our capital assets is overdue – one that brings “state of the practice” advanced asset management (AAM) concepts, tools, techniques, and technologies to bear on managing for cost-effective performance. This approach, first and foremost is one that focuses relentlessly on providing **sustained performance of value to the customer at the lowest life-cycle cost and at an acceptable level of risk to the organization.**

The Focus: Public sector managers have been managing assets for decades. However, it is clear that what we have been doing in the past will not be sufficient to address the growing and increasingly complex challenges that lie ahead. Practical, advanced techniques for better managing assets have been developed and refined in both the private sector in the US and in water and wastewater agencies around the world. Management thinking is centered on long-term effectiveness, service sustainability, and effective environmental management. *How can these advanced asset management concepts, tools and techniques be most effectively transferred into the water and wastewater industry, more specifically, into your agency? Where to start? How to proceed? How to select appropriate tools?*

The Workshops: The AAM challenge for US agency officials is one of “knowledge transfer.” **For the reason, these workshops have been designed as an extensive hands-on experience.** Each workshop:

- ◆ **Incorporates a real-world storyline** to realistically demonstrate an advanced asset management way of approaching difficult asset-driven problems.
- ◆ Is built around **participant exercises** that demonstrate the concepts, techniques and tools of advanced asset management.
- ◆ Is centered on **case-based mentoring** by expert asset management practitioners. The agenda is built around five core questions. **The workshops focus on demonstrating, step-by-step, how an agency would select and deploy “Best Appropriate AAM Practices” that are best suited to that agency.**

Who should attend? Utility Managers, Engineers, and Supervisors; Consulting Engineers; Regulatory Agency staff

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Agenda Highlights

Day One – 8:00 am – 4:30 pm

Introductions

Background and Context

- The Changing Utility Industry
- The Emerging Utility Of Tomorrow

Introduction of Storyline, Overview of Fundamental Concepts and Core Practices

- Introduction Of Storyline
- A Definition Of AM
- A “Meta View” of the AM Paradigm
- Managing The Asset Base’s “Potential To Fail”
- Payoffs And Benefits, Downsides
- The “Five Core Questions” and the “10-Step AM Process”

Storyline and Worksheets - Tom’s Bad Day

Core Question 1: What Is The Current State Of My Assets?

- What is an Asset?
- Building a “Process Layout” Schematic
- Creating The “Asset Hierarchy”
- Defining The “Data Standard”
- Initial Condition Analysis, Remaining Physical Life
- The Four Major Failure Modes
- Determining Replacement Value
- Financial Accounting versus Managerial Accounting

Core Question 2: What Is My Required “Sustainable” Level Of Service (LOS)?

- What Is “LOS”? Why Do It?
- How It Works (Strategic Level Versus Operations Level)

Core Question 3: Which Assets Are Critical To Sustained Performance?

- Understanding How My Assets Can Fail - the Four Major Failure Modes
- Determining The “Likelihood Of Failure”
- Determining The “Consequences of Failure”
- How to Measure Our Agency’s “Business Risk Exposure”?

Discussion, Q & A and Feedback

About Our Trainers

Mr. Steve Allbee – USEPA Project Director, Gap Analysis; primary author, USEPA’s The Clean Water and Drinking Water Infrastructure Gap Analysis; 25 years EPA – development of financing programs; BA, MA, MPA.

Mr. Doug Stewart, P.E. – Principal Consultant GHD Inc., former Asset management Program Director, Orange County Sanitation District; 25 years engineering experience, 10 years utility management; BS, MSCE.

Day Two – 8:00 am – 3:45 pm

Summary of Day 1, Outline Of Day 2

Core Question 4: What Are My Best Minimum Life-Cycle-Cost CIP And O&M Strategies?

- What Alternative “Treatment” (Management) Options Are Feasible?
- Which Is The Best Option? – The Basics of “Optimal Renewal Decision Making”

Core Question 4: O&M (Continued)

- Using AAM To Drive Operations And Maintenance
- Moving Systematically Into Reliability Centered And Condition-Based Maintenance

Core Question 4: CIP (Continued)

- Using AAM To Drive The Capital Improvements Program (CIP)
- Strategic CIP Validation

Core Question 5: What Is My Best Long-Term Funding Strategy?

- So, Valuation Really Does Matter?
- Determining A Sustainable Renewal Funding Level
- Effectively Telling The Funding Story
- The “Whole Of Business” Perspective – Using AAM For Rate Setting & Budgeting
- Building Your First Asset Management Plan (“AMP”)

Focus Topic 1: Deploying an AAM Program (As time permits)

- The Four Fundamental Deployment Strategies
- “Gap Analysis” Benchmarking & Developing The AAM Improvement Program
- The Human Side
- The Political Side
- Implementation Work Plans – Lessons Learned

Focus Topic 2: Meeting The IT Challenge - Toward An Enterprise Asset Management System (“EAMS”) (As Time Permits)

- Defining “Work Processes”
- Defining “System Functionality”
- Defining Data Needs And Data Flows
- Developing An EAMS Work Plan

Closing Summary, Questions, Comment

Overnight Hotel Accommodations

A limited number of rooms are available at the Hilton Metro Center Hotel at the SW Section Workshop rate of \$99.00 per night plus tax and facilities surcharge (15.5% total). Reservations must be made by October 24, 2008 by calling 501 664-5020 or 800 HILTONS and asking for the **AWWA Southwest Section** Room Block. Additional rooms may be available at the hotel’s normal rate. For additional information on nearby hotels, go to www.swawwa.org/Seminars/AAM.htm

More information about the workshop and asset management is available at www.epa.gov/own/assetmanage/assets_training.htm

Questions? Contact Harold R. Seifert, Executive Director, SW Section, AWWA at 501 476-0189 or ExecDir@swawwa.org.

Registration: The Registration Fee for the workshop is \$200.00 for members of sponsor or co-sponsor organizations. The Registration Fee for all others is \$240. The Registration Fee includes the workshop, workshop material and lunch daily. Seats are limited, so please register early. Registrations received after October 11th cost an additional \$50 each. Cancellation Fee - \$25. No refund is given if registration is cancelled after November 4, 2008. To register on-line, go to www.swawwa.org/on-line-reg.htm. To fill out and print a hard copy registration form, go to www.swawwa.org/Seminars/AAM.htm.